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The Profile of the Romanian Entrepreneur in Tech

EY & Endeavor
November 2024

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Foreword

In every advanced economy across the globe, entrepreneurial companies represent a vital asset for revenue generation within the economic framework. These enterprises distinguish themselves in the international market through their capacity for innovation and their contribution to community prosperity. By expanding their business models, they not only enhance their own wealth, but also facilitate economic multiplication, thereby reinforcing the financial robustness of the societies in which they operate.

Despite the economic adversities encountered in recent years, including the Covid-19 pandemic, strained supply chains, escalating inflation, and surging energy costs, which have notably affected entrepreneurial ventures, these entities have adeptly realigned their resources and tapped into their inherent resilience to endure. In doing so, they have redefined the formula for success within an ever-evolving economic landscape, demonstrating adaptability and innovation in the face of significant challenges.

The path to entrepreneurial triumph is not dictated by a singular, definitive blueprint, as each enterprise is profoundly shaped by a convergence of external elements, characteristic of the particular business ecosystem from which it emerges and within which it functions, as well as by internal dynamics unique to the organization itself. Through the collaborative efforts of EY and Endeavor, we have been able to discern a shared collection of values, principles, and experiences that resonate across a spectrum of Romanian entrepreneurs in the tech sector.

The extent to which a nation enjoys an environment favourable to the growth of entrepreneurial entities is directly proportional to the maturity and consolidation of its democratic institutions. By fostering and nurturing dynamic and creative entrepreneurial communities, we can play a pivotal role in stimulating economic progress and fortifying the democratic fabric of society.

Our research was designed to examine the trajectories of entrepreneurship within Romania's technology sector and to outline the characteristics and experiences of entrepreneurs within this field. This inquiry was driven by the rapid ascension of Romanian technology firms on the international stage, a noteworthy phenomenon given their beginnings in a post-communist nation where the business environment was historically hostile. The business developmental and expansion paradigms for these businesses have only emerged in the recent past, making their progress and impact on the global market all the more remarkable.



Bogdan Ion

Country Managing Partner
EY Romania & Moldova,
Chief Operating Officer for EY Central, Eastern
and Southeastern Europe & Central Asia

Foreword

The data and figures presented in this report offer a compelling narrative about the state of entrepreneurship in Romania's tech sector. Our entrepreneurs are young, well educated, ambitious, complementary team players driven by high hopes and aspirations. We have a lot to be proud of. However, I encourage you to look beyond the numbers, to the full essence of the entrepreneurial journey. Behind every statistic lies the story of individuals who dared to dream, who persevered through hardships, and who displayed extraordinary resilience. These are tales of struggle, grit, and growth that paint a picture far richer than any dataset can convey.

In speaking with entrepreneurs, it became evident that their journeys are often marked by unforeseen challenges and the need for constant adaptation. Whether navigating the uncertainties of a shifting market or grappling with limited resources, these founders exhibited a relentless drive to push forward. Their experiences remind us that the entrepreneurial path, while arduous and filled with obstacles, is also one of profound learning and personal evolution.

The stories shared by these entrepreneurs emphasize an important truth: while the road to success is winding and often difficult, it need not be walked alone. With the right support, the guidance of seasoned advisors, and the inspiration drawn from those who have traversed this terrain before, the journey can become a bit smoother. By fostering a robust ecosystem of mentorship and collaboration, we can help entrepreneurs find their way, not by avoiding the challenges, but by equipping them with the tools and wisdom to navigate them effectively.

As you delve into the insights of this report, I encourage you to look beyond the metrics and charts. Consider the lived experiences of the individuals whose stories are woven throughout.

Let their narratives of perseverance, innovation, and strategic risk-taking serve as a source of inspiration, reinforcing the belief that while the entrepreneurial journey is not easy, it is a path worth taking – and one that can be made less daunting with the right support system in place.

All meaningful journeys are indeed hard and sinuous. With the right advice, a supportive network, and the courage to learn from both success and adversity, these journeys lead to growth, fulfillment, and lasting impact for the future generations.



Mihnea Crăciun

Managing Director
Endeavor România

Executive Summary

1

Bucharest and Cluj are the cities of choice for associates and shareholders (entrepreneurs) to establish and develop their business ventures

- ▶ Since May 2014 Bucharest recorded a 35.9% increase in the numbers of entrepreneurs
- ▶ In the last 10 years Cluj recorded a higher growth rate of 66.5%

2

Half of the Romanian entrepreneurs start their first ventures before they reach the age of 25 years old

- ▶ 11% of the surveyed Romanian entrepreneurs demonstrated an adventurous spirit by initiating their first venture while under the age of 18
- ▶ 13% of the Romanian entrepreneurs surveyed commenced their entrepreneurial journey subsequent to reaching the age of 35 years old

3

The Romanian entrepreneur is predominantly well-educated, with a mere 10% possessing only a high school diploma

- ▶ A substantial segment of Romanian entrepreneurs hold degrees in technical studies, accounting for 45% of the total
- ▶ 29% of Romanian entrepreneurs have obtained a diploma in the field of Finance-Economy

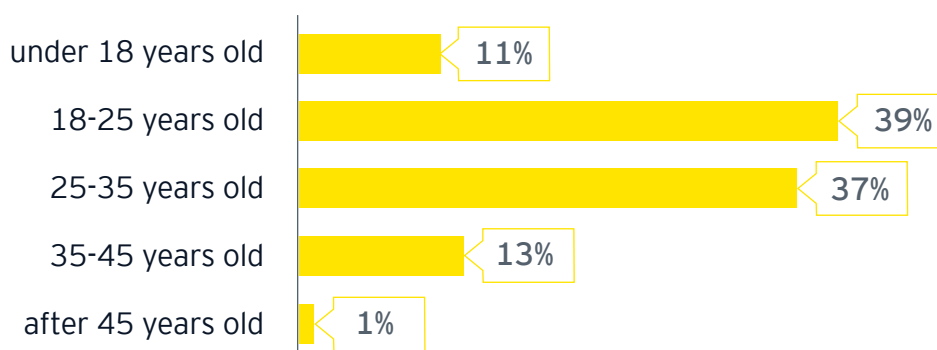
4

The Romanian entrepreneur exhibits a boldness in expanding operations and confronting issues that transcend national boundaries

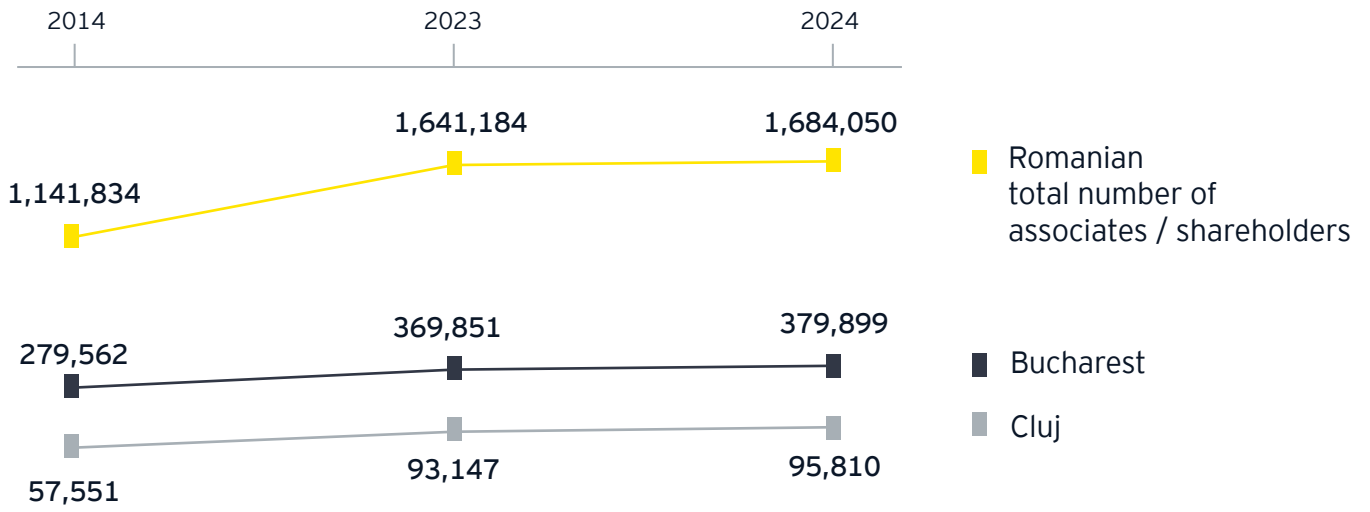
- ▶ Only 17% of entrepreneurs are targeting the national market
- ▶ The majority of entrepreneurs (53%) are targeting the global market

5

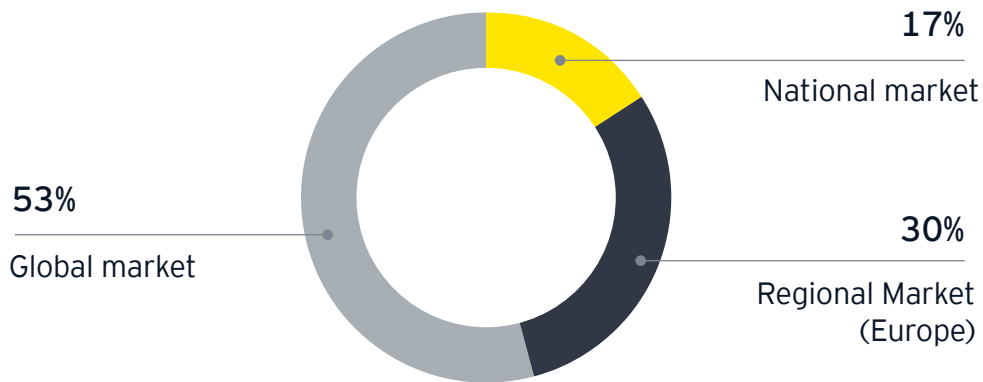
The entrepreneurs' age when company was launched



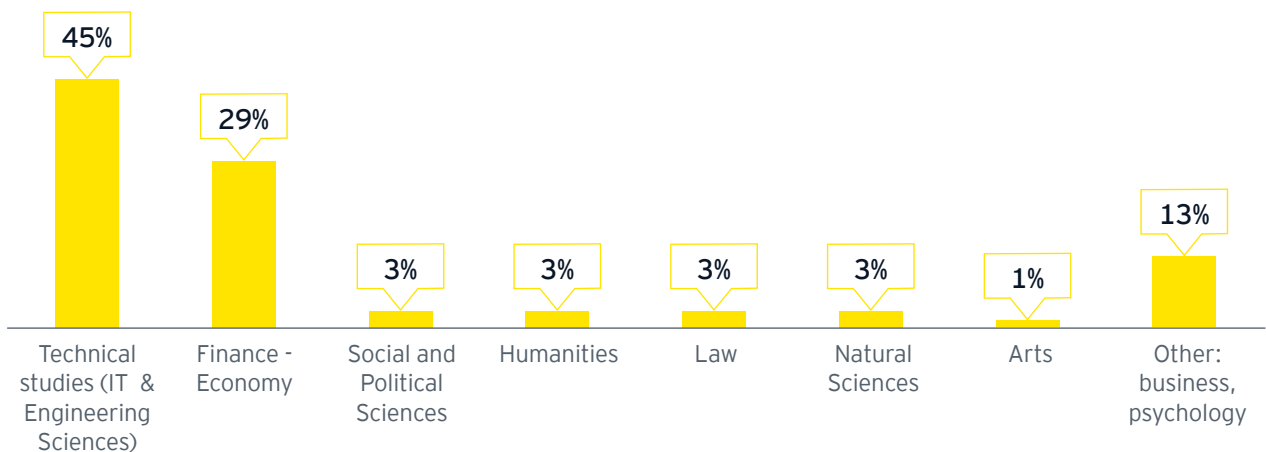
6 Evolution of the number of associates / shareholders (entrepreneurs)



7 Targeted market



8 Romanian tech entrepreneurs' last academic major



Methodology



The objective of our study was to ascertain the defining attributes of the Romanian entrepreneur operating within the technology sector. Employing a hybrid research approach that incorporated both quantitative and qualitative methods, our primary goal was to discern the traits and experiences that encapsulate the essence of a prosperous entrepreneur. Through this empirical analysis, we sought to construct a comprehensive profile that captures the hallmark qualities of entrepreneurial success.

The sample size used for the quantitative component of the study was 126 business leaders of the Romanian tech industry's entrepreneurial community who received the online questionnaire created in Qualtrics XM. The quantitative segment of our research was structured to pinpoint particular aspects of these entrepreneurs, including their company size, age, company's prior year revenue, the distinctiveness of their business services and products, the markets they target for sales, the founders' previous experience, academic qualification and definition of success.

For the qualitative aspect of our research, we employed purposive sampling, a deliberate selection process of participants, which entailed conducting semi-structured interviews with entrepreneurs from the tech sector. These individuals control entrepreneurial ventures at various stages of the business life cycle, providing a diverse perspective on the developmental nuances of tech enterprises.

Romania and Entrepreneurship

The concept of entrepreneurs and entrepreneurship has been largely debated in the developed countries of the world being the lifeblood of economic growth and innovation. It is the driving force behind the creation of new businesses, the development of novel products and services, and the creation of employment opportunities. Entrepreneurs are often seen as visionaries, willing to take risks and push boundaries to bring their ideas to fruition. Their impact on the economy is multifaceted and profound.

The entrepreneur is in a constant move in the economic system, a person who needs to cover a multitude of skills and who must have a multi-disciplinary approach to business. **Professor Howard Stevenson, the esteemed Sarofim-Rock Baker Foundation Professor Emeritus at Harvard University, who has also served as the Senior Associate Dean and Director of Publishing, and who has presided as the Chair of the Harvard Business Publishing Company board, has eloquently defined entrepreneurship as the systematic pursuit of opportunities that extend beyond the resources currently under one's control.**

The entrepreneur is constantly aware of changes and opportunities. He is always looking for chances to implement new systems and develop teams in order to attract resources in a short period of time, as time can be more precious and scarce. The entrepreneur is constantly looking for new opportunities either by developing unique business plans, inventing new products / services or improving the quality of an existing product / service.

All these activities are done with extremely limited resources. While most of the time, the entrepreneur is using his personal funds to keep the business floating, time becomes the compensating force. In the process of innovation and creation, the entrepreneur lacks access to a significant amount of resources which leads the entrepreneur to operate in uncertain terrain.

In Romania, the concept of entrepreneurship, as it is understood in the Western context, is a relatively recent phenomenon. The country's gradual embrace of global perspectives following the 1989 revolution marked the beginning of a new era. However, the tumultuous decade that followed slowed the nation's transition towards a fully-fledged capitalist democracy. It wasn't until the dust settled from the upheavals of the 1990s that the concept of entrepreneurship began to take root in Romania in the form that is widely recognized today. Since Romania joined EU (European Union) and NATO (North Atlantic Treaty Organization) the number of foreign and domestic businesses increased every year and the entrepreneur phenomena flourished. According to the National Trade Register Office, the number of associates / shareholders (entrepreneurs) has increased significantly. In the long-term, between May 2014-May 2024 the total number increased by 47.5% while in the short-term between May 2023-May 2024, the number of entrepreneurs recorded a positive growth rate of 2.6%.

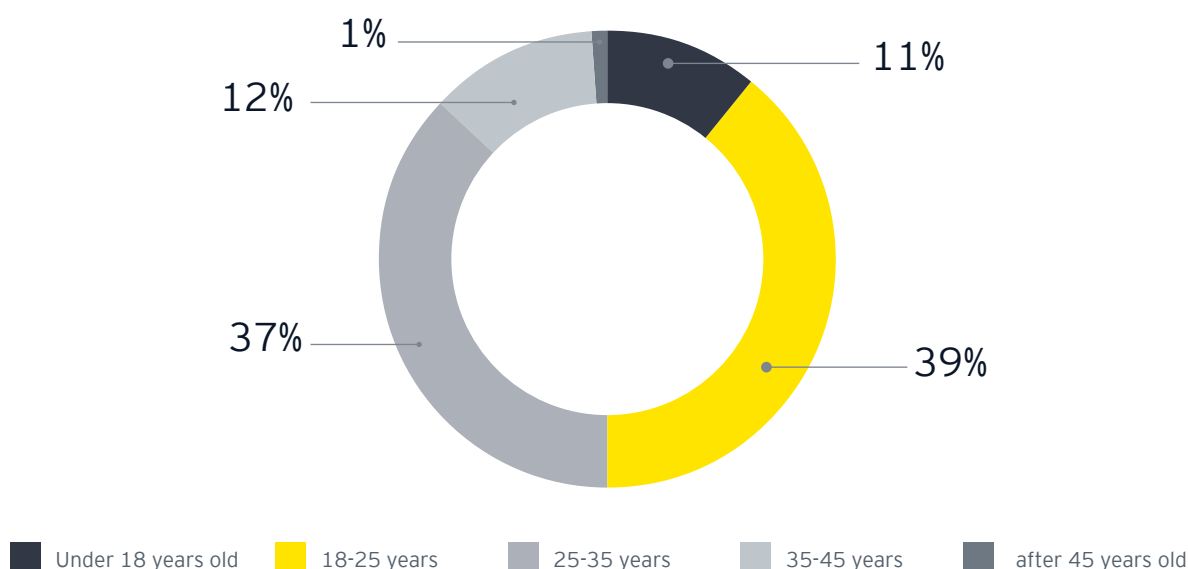


1

Embarking on the journey

The entrepreneurial landscape in Romania is characterized by a young demographic, with a significant portion of business founders embarking on their ventures at an early stage in their lives. According to survey data, half of the respondents initiated their entrepreneurial journey before reaching the age of 25, suggesting a propensity among Romanian entrepreneurs to dive into the world of business with the enthusiasm and adaptability that often accompany youth. The remaining half of the survey participants commenced their entrepreneurial endeavors at an age exceeding 25, indicating that the entrepreneurial spirit is not exclusively the province of the young. This distribution highlights the diversity of the Romanian entrepreneurial community, where age serves as no barrier to entry, and the decision to start a business is embraced across a broad age spectrum. The survey highlights the idea that the entrepreneurial path in Romania is as varied as the individuals who choose to walk it.

Figure 1: Age of entrepreneurs when started venture



The incentive for Romanian entrepreneurs to start their business ventures at varying stages of life is often rooted in a deliberate desire to amass working experience or to complete their educational pursuits prior to undertaking entrepreneurship. This strategic approach is reflected in the survey findings, which reveal that **54% of the entrepreneurs have enriched their perspectives through international exposure**, having either studied or lived abroad. Such experiences are likely to contribute to a broader understanding of global markets and diverse business practices, which can be invaluable in the entrepreneurial domain. Additionally, the survey indicates that **more than 40% of the entrepreneurs had been gainfully employed before transitioning to entrepreneurship**. This prior employment not only provides practical insights into industry

dynamics but also helps in building professional networks and developing essential skills that are instrumental in navigating the complexities of starting and managing a successful business.

The entrepreneurial journey often commences with a bold leap into the unknown, a trait exemplified by the youthful vigor of Romanian entrepreneurs. As previously noted, half of the entrepreneurs surveyed embarked on their business endeavors before the age of 25, with a notable **11% demonstrating an even more adventurous spirit by initiating their first venture while under the age of 18**. This early onset of entrepreneurial activity reflects the intrinsic qualities of an entrepreneur – adventurousness and a propensity for risk-taking. When these attributes are coupled with the dynamism of youth and a fervent desire for

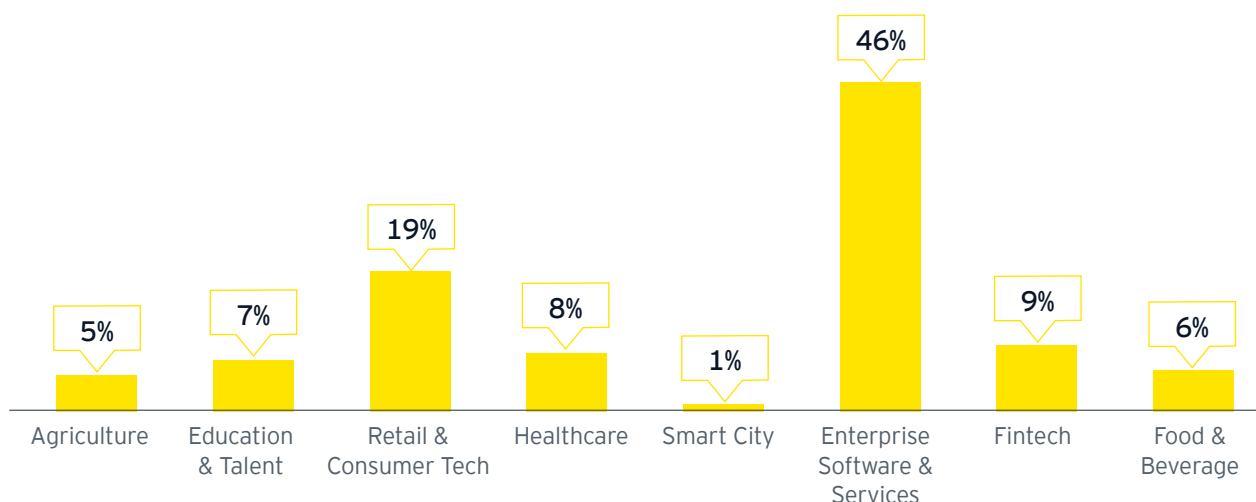
self-affirmation, a powerful drive to innovate emerges, looking to seize new opportunities and challenge the status quo. The energy and ambition characteristic of young entrepreneurs serve as catalysts for exploration and experimentation in the business realm, fueling the creation of novel solutions and the pursuit of untapped markets.

The entrepreneurial landscape is often marked by a pattern of serial ventures, with a significant majority of entrepreneurs engaging in the creation of multiple businesses over time. **Among those who embarked on their entrepreneurial journey before the age of 25, a substantial 53% have founded at least two ventures**, indicating a robust inclination towards exploration and business creation. Moreover, an impressive **63% of these entrepreneurs who started at a young age have launched four or more ventures**, reflecting a pronounced appetite for innovation and team-building. This trend of serial entrepreneurship among the younger cohort suggests a resilience and willingness to learn from both triumphs and setbacks. The entrepreneurs who started at a young age leverage their accumulated experiences – both positive and negative – to identify new market opportunities and develop fresh ideas, leading to the initiation of additional ventures. Their youthful start provides them with a longer runway to refine their entrepreneurial skills, adapt to changing market conditions, and iterate on their business models, thereby contributing to a dynamic and evolving business portfolio.

Serial entrepreneurs often embody the dual facets of innovation and risk. On the one hand, they initiate multiple ventures with the aspiration of discovering a viable and successful concept. On the other hand, this approach can lead to the premature end of certain initiatives, either due to a scarcity of necessary resources for their advancement or as a consequence of fundamentally flawed concepts that, in the absence of mentorship or other forms of early-stage validation and support, fail to be refined or substantiated at the inception phase.

The tendency of Romanian entrepreneurs for certain industry sectors is distinctly evident from the survey results, with a pronounced preference for the realms of Fintech, Retail and Consumer Tech and Enterprise Software and Services. This preference is indicative of a broader trend, with **74% of the surveyed entrepreneurs gravitating towards sectors that can fit under the expansive tech industry umbrella**. Such a predilection is hardly surprising, given the rapid technological advancements and the increasing integration of digital solutions across various aspects of business and finance. The tech sector's potential for scalability, innovation, and disruption makes it an attractive domain for entrepreneurs looking to capitalize on the digital transformation that is reshaping global markets. The inclination towards Fintech, Enterprise Software and Tech also reflects the strategic recognition of the growing demand for technology-driven financial services and business solutions, which offer opportunities for high growth and competitive differentiation.

Figure 2: Industry in which the company is performing

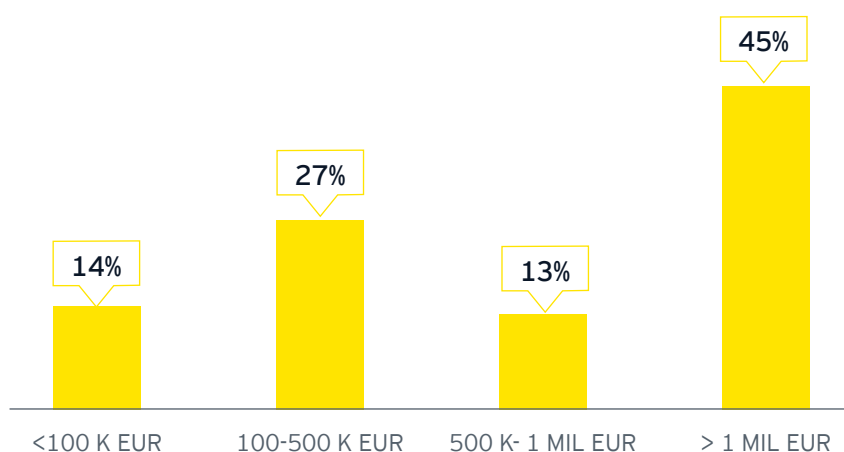


The entrepreneurial scene, as depicted by the survey data, reveals a dynamic and flourishing business environment, with **56% of entrepreneurs having launched their companies less than six years ago**. This recent wave of enterprise is particularly pronounced in the tech industry, which has seen a marked rise in both the establishment of new businesses and the expansion of its workforce. The tech sector stands out as a fertile ground for young entrepreneurs, offering a unique platform where limited initial capital is not a barrier to entry. The sector's inherent scalability allows for the potential of exponential growth if the product or service offered meets a market need and resonates with consumers.

The survey garnered insights from a cohort of successful entrepreneurs, as evidenced by the revenue figures reported by the respondents. A majority, **59%, indicated that their businesses generate revenues exceeding 500,000 EUR**. Furthermore, nearly half of the participants, **45%, reported even higher revenues, with their businesses surpassing 1 million EUR**, reflecting a robust entrepreneurial performance

and a strong market presence. On the other end of the spectrum, a smaller segment of **14% of those surveyed reported more modest revenues, with their company earnings falling below 100,000 EUR**. These figures collectively paint a picture of a diverse entrepreneurial landscape, where a majority of businesses have achieved reasonable financial milestones. In the realm of Romanian entrepreneurship, a notable trend has emerged, highlighting a strong preference for maintaining complete ownership and control over business ventures. This is evidenced by the fact that a substantial **95% of entrepreneurs surveyed are in charge of privately owned companies**. Remarkably, this trend is not limited to smaller enterprises but is also prevalent among those with revenues that would typically position them as viable candidates for attracting outside investors, with **94% of businesses that have a revenue over 1 million EUR being privately owned**. The data suggests a deliberate choice by Romanian entrepreneurs to prioritize autonomy over the potential benefits of gaining new business partners.

Figure 3: Company Revenue



Entrepreneurs' predilection for maintaining complete autonomy over their enterprises can carelessly diminish their prospects of securing new investors who are poised to infuse both capital and expertise into the business. This tendency may stem from a general distrust among Romanian entrepreneurs towards

external investors, or from a deficiency in the necessary expertise to skillfully restructure ownership to integrate new stakeholders. Consequently, such reluctance to embrace external investment can result in decelerated revenue expansion, or in more severe cases, precipitate the potential downfall of the business.



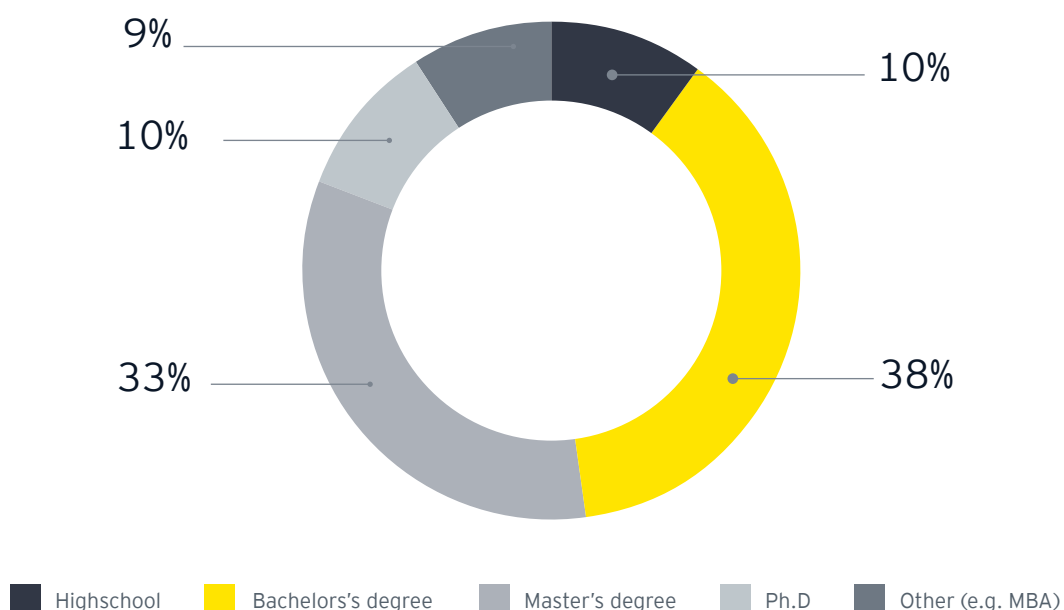
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The Tech entrepreneurial framework in Romania

Over the past decade, as mentioned previously, Romania has witnessed a surge in entrepreneurial activity, with the number of entrepreneurs experiencing a robust double-digit increase in numbers. The entrepreneurial phenomenon, while not confined by geographic boundaries, exhibits a pronounced preference among Romanian entrepreneurs for establishing businesses in specific urban centers. According to the survey findings and corroborated with data provided by the National Trade Register Office, **Bucharest and Cluj emerge as the preferred cities for entrepreneurial endeavors.** These cities recorded the highest concentration of entrepreneurs, **registering increases of 35.9% and 66.5% respectively since May 2014, according to the National Trade Register Office.** The survey, conducted by EY and Endeavor, reveals that more than half of the entrepreneurs have chosen to set up their businesses in these two cities, a decision that aligns with the significant economic development that Bucharest and Cluj have undergone in the last ten years. Furthermore, most entrepreneurs display a strong inclination to register their companies within Romania, indicating a commitment to contributing to and benefiting from the domestic economic landscape.

The double-digit growth in the number of entrepreneurs in Bucharest and Cluj since 2010 may be partially attributed to the fact that both cities are recognized as major academic hubs. The relationship between academia and entrepreneurial success, however, is multifaceted. While the survey results indicate that the **Romanian entrepreneurial community is highly educated, with 90% of respondents holding a BA, MA, PhD, or MBA diploma,** this does not necessarily establish a direct causality between academic achievements and entrepreneurial prosperity. Academic credentials may provide a foundation of knowledge and skills beneficial for business endeavors, yet they are not the sole determinants of success in the entrepreneurial sphere.

Figure 4: Last academic level obtained

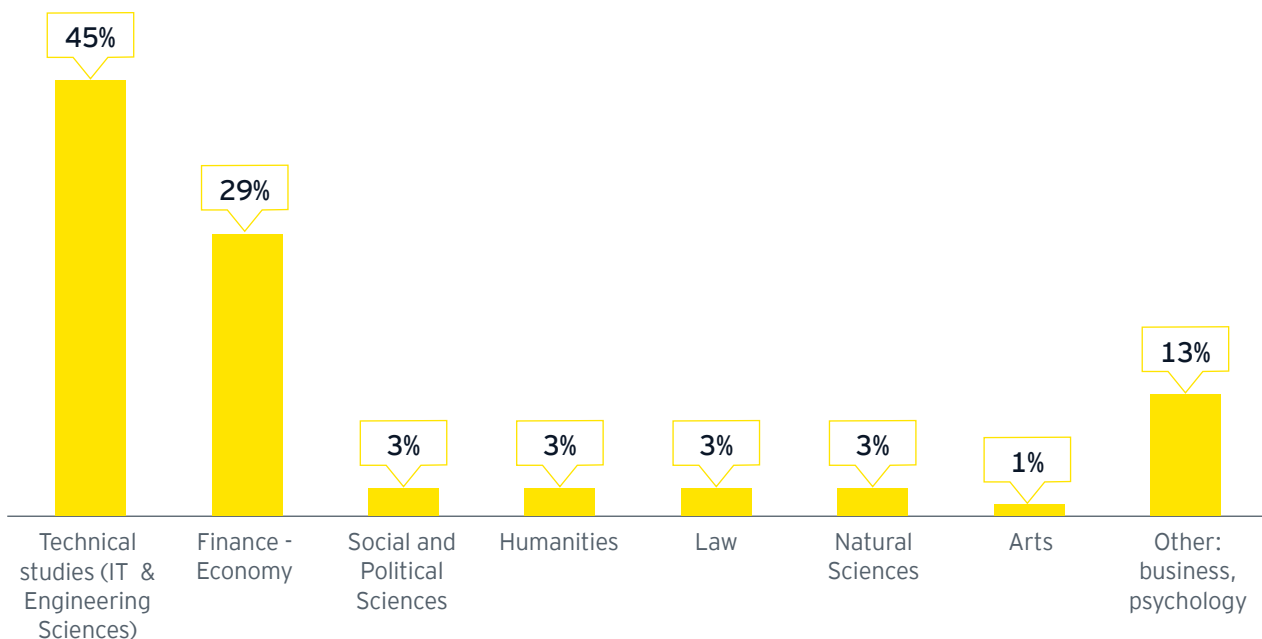


The educational journey of entrepreneurs varies widely, and a traditional path of higher studies is not a prerequisite for success in the realm of business. For example, a notable **10% of entrepreneurs have completed their formal education at the high school level**, opting not to pursue further academic qualifications. Yet, this decision has not prevented them from achieving significant commercial triumphs. An impressive **40% of these entrepreneurs have cultivated businesses that generate revenues over 500,000 EUR**. These figures emphasize the fact that entrepreneurial success is not monolithically tied to higher education and the absence of advanced academic qualifications should not deter an individual from pursuing an entrepreneurial journey.

In Romania, the landscape of entrepreneurial success is obviously influenced by the educational background of business founders, particularly in the context of the expanding tech industry. Entrepreneurs with higher education credentials exhibit a pronounced inclination towards technical studies, aligning with the rapid expansion of the tech sector within the nation.

This trend is further substantiated by the notable success rates of companies established by individuals with technical or financial / economic academic foundations. A substantial majority, amounting to **64%, of entrepreneurs who have completed technical studies, encompassing disciplines such as information technology and engineering sciences, have successfully established companies with annual revenues ranging from 500,000 EUR to 1 million EUR**. Additionally, a significant **41% of entrepreneurs who have launched businesses with revenues over 1 million EUR possess academic backgrounds in finance or economics**.

Figure 5: Romanian tech entrepreneurs' last academic major





The entrepreneurial fabric of Romania is characterized by a significant proportion of highly educated individuals, yet the absence of higher education does not preclude success in business ventures. In a similar trend, the survey indicates that Romanian entrepreneurs typically embark on their entrepreneurial pursuits at a relatively young age, but this early start is not a definitive predictor of success. **Among those with businesses generating revenues under 100,000 EUR, 40% initiated their entrepreneurial journey between the ages of 18 and 25.** This same age bracket also accounts for **50% of entrepreneurs who have established businesses with revenues ranging from 500,000 to 1 million EUR.**

The archetype of a productive and successful entrepreneur transcends the bounds of age, underscoring the notion that entrepreneurial efficacy is not confined to a specific stage of life. **While the level of education and the breadth of work experience can undoubtedly influence an entrepreneur's perspective and the trajectory they may pursue,** these factors alone do not serve as unequivocal harbingers of business success. Building a business is so much more.

“

I think you have to get out of your comfort zone. You have to be prepared to work hard, I still work 12 hours a day most days, usually weekends too...

3

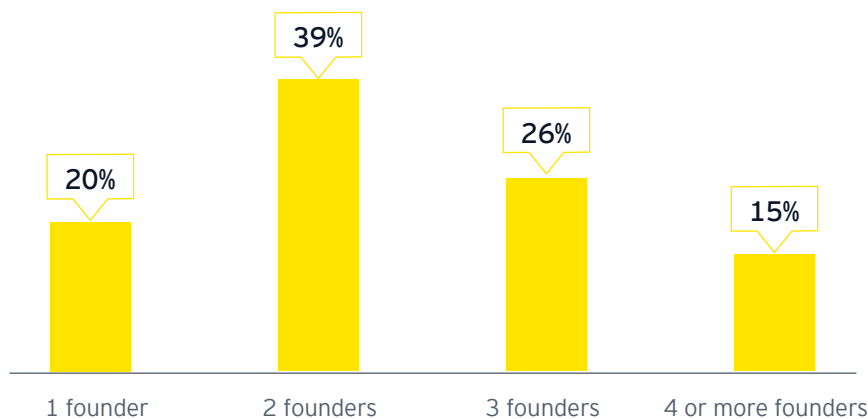


The experience of the
Romanian entrepreneur
in the field of technology

Entrepreneurship often runs in the veins of those who have witnessed the spirit of enterprise within their family or among their close associates with **53% of responding entrepreneurs saying that entrepreneurship is a characteristic among their families / friends.** The decision to embark on a business venture can be profoundly influenced by observing the successes, challenges, and resilience of family members or friends who have charted their own challenges or entrepreneurial paths. For an aspiring entrepreneur, these experiences serve as a catalyst, encouraging a sense of possibility and a desire to start the entrepreneurial journey. The familiar examples of innovation, risk-taking, and the pursuit of passion become not just stories of inspiration, but also a blueprint for action.

Embarking on the entrepreneurial journey can present significant challenges, particularly for young entrepreneurs. The solitary nature of developing a new product or service can be a formidable task, often perceived as an overwhelming obstacle. The complexities involved in starting a business require a considerable amount of effort, dedication, and resilience, especially when one must navigate these waters alone. It is essential for potential entrepreneurs to recognize the magnitude of the endeavor they are undertaking and to be prepared for the rigorous demands it entails.

Figure 6. The number of business founders



The entrepreneurial landscape, as depicted by the survey data, reveals a compelling trend: a significant **80% of entrepreneurs who participated in the survey indicated that their ventures were initiated with at least two founders at the helm.** On one end of the spectrum, **15% of respondents acknowledged having a robust founding team of four or more individuals,** while on the other end, a notable **20% embarked on their business journey as the sole founder.** This diversity in the composition of founding teams brings to the forefront a pivotal question: should an entrepreneur navigate the path of business as a collaborative team player or as an independent lone wolf? The answer to this question may hold profound implications for the strategy and success of entrepreneurial endeavors.

The survey sheds light on the composition of founding teams in relation to the financial success of their ventures. **Among businesses that have achieved a revenue threshold exceeding 500,000 EUR, a mere 23% were established by a sole founder.** In stark contrast, a substantial **77% of successful ventures were the result of collaborative efforts involving multiple founders.** This data suggests a correlation between the presence of a multi-founder team and the prosperous outcome of a business. It implies that the collective skills, diverse perspectives, and shared responsibilities inherent in a team may enhance productivity and contribute positively to the success of a company from its inception.

The findings from the survey and a series of interviews conducted offer a nuanced portrait of the Romanian entrepreneurial spirit. Predominantly, the **Romanian entrepreneur exhibits a tendency towards teamwork**, favoring a collaborative approach in the realm of business ventures. Despite this inclination, the entrepreneurial landscape in Romania is diverse, encompassing not only team players but also those who operate independently as **lone wolves**, as well as **contextual entrepreneurs**. This mix reflects the multifaceted nature of entrepreneurship in Romania, where different styles and strategies coexist and contribute to the dynamism of the business environment.

The prevailing sentiment among Romanian entrepreneurs highlights the importance of teamwork in the establishment and growth of a business. It is widely recognized that the collective effort of a team—comprised of capable and industrious individuals—is the driving force behind the successful production of products and services. This collaborative dynamic is instrumental in fostering the expansion of a venture. Furthermore, having multiple founders at the helm can enhance the efficacy of problem-solving, allowing for a more robust approach to tackling even the most challenging tasks. Particularly when supported by a professional and dedicated team, the synergy of multiple founders with complementary skills, can lead to superior outcomes and the accomplishment of business objectives.

“

The people you start with matter a lot, that's one of the lessons from the beginning of the business and it matters later too. Their technical skills are not the only things that are important, ..., it really matters to resonate on a values level...

.....

I am a team man. Trust is the most important and teamwork, you can't be a lone wolf because it's quite complicated to grow alone, then you have to be a team player.

.....

For me, the team is very important, and I think that the journey is much more meaningful, full of joy and energy with the right team. There were many moments when I felt very lonely and I think it is, if you want, the journey of any leader, it's not only in entrepreneurship, it's lonely at the top

.....

Definitely a team player. An entrepreneur must, first of all, be a team leader and know what he has to get involved in, but also know what he can delegate, what he can build with other people. Most successful start-ups must be done in a team and you must have a complementary team with complementary skills, it must necessarily be teamwork.

Selecting the appropriate partners with whom to establish a business is a complex and critical decision. Often, as a business evolves, founders may find their visions diverging, which can strain the partnership and potentially lead to its dissolution. Additionally, the age and maturity level of the founders at the inception of the business can significantly influence its longevity. Many enterprises struggle to endure because the founders lack the maturity required to navigate the numerous challenges that arise.

This is particularly true when the founders have personal ties, such as close friendships or romantic relationships. Interviews conducted in this area highlight a warning note, suggesting that intertwining personal life with professional endeavors may not be beneficial to the health of the business. It is increasingly evident that maintaining a clear distinction between personal and business relationships is vital for the stability and success of a venture.

“

The first thing I learned in the beginning is to be careful who you start with. We were four 15-16-year-old kids who created the business. The reason why we stopped is that out of those four people, one was me, my life partner when I was 16 years old was another member of the team, and when we broke up, the business ended.

While a significant portion of entrepreneurs demonstrate a preference for teamwork, there is also a notable contingent who choose to embark on their ventures as the sole founder and leader. These individuals often subscribe to the philosophy that their unique vision for the business cannot be fully grasped by others, and thus, the responsibility of success rests solely on their shoulders. In some cases, such entrepreneurs may exhibit authoritative tendencies as a means to steer the business and its employees towards their desired outcomes.

The **lone wolf entrepreneur**, while potentially challenging to work with, is characterized by industriousness, unwavering dedication, and a laser-sharp focus that can significantly contribute to the growth of the business. This intense commitment is often fueled by what has been termed “financial selfishness”, a concept highlighted by some entrepreneurs during interviews. This drive for personal financial gain can be a powerful motivator, propelling the **lone wolf** to achieve remarkable business milestones.

“

The approach, at the beginning, can only be dictatorial and individualistic; you cannot do otherwise. I, personally, in my experience have not seen a successful model that would have worked otherwise.

.....

I think that most people who start to do things must have a voice, to feel more special from certain points of view, which would mean a form of individualism, a financial selfishness, but also a form of calling, a call to do this thing, to feel different from others.



In the interviews, a third archetype emerged, known as the **contextual entrepreneur**. This type of leader adeptly balances the roles of a team player with that of an individualist. They are open to forming partnerships and value collaboration, yet they also possess the judgement and ability to recognize when a situation demands a more independent perspective. The **contextual entrepreneur** is skilled in evaluating the advantages of both

team player and independent approaches and is proficient in transitioning between these modalities as circumstances dictate. Their ability to turn strategically from one style to another allows them to navigate the complexities of business with agility and insight, ensuring they can effectively lead their venture through the ever-changing landscape of the business world.

“

It is very good to be individualistic, to have necessary opinions and expertise in the field from which you start, however, if you want to scale, if you don't want to stay at the small company level, family size business, you need a small team in the back and this is the most important thing, how do you choose your people, how you work in that team, you as the entrepreneur.

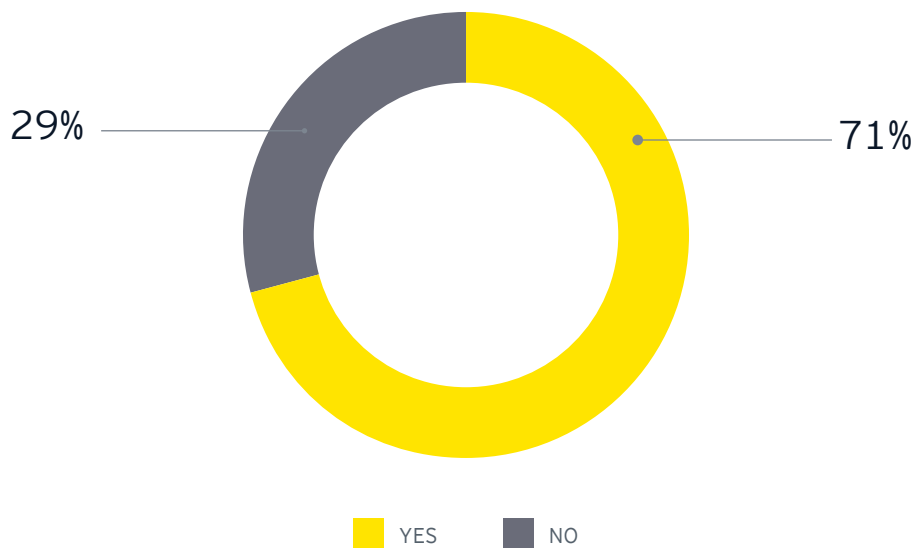
.....

It is very important that in certain moments, which may be crucial, you can be an individualist and be able to make some more difficult decisions, but in most cases, you have to be a team player.

Identifying the optimal industry for establishing a new company can often be a formidable challenge for entrepreneurs. There are instances where entrepreneurs have ventured into sectors where they lacked prior experience, driven solely by the recognition of an opportunity and the determination to capitalize on it. These individuals are characterized by their ability to spot a market gap and possess the conviction that they can successfully fill it. Nevertheless, according to data from the EY and Endeavor

survey, such entrepreneurs represent a smaller fraction of the total. The survey reveals that a substantial majority, approximately **71%**, **of entrepreneurs have leveraged their pre-existing industry knowledge when launching their businesses**. On the other hand, just **under one-third (29%) have demonstrated the courage to embark on entrepreneurial endeavors in fields where they have no prior experience**.

Figure 7: Work experience related to the industry in which the business is performing



This bold subset of entrepreneurs exemplifies a particular brand of courage and innovative spirit that can lead to fresh perspectives and potentially disruptive market entries. Data indicates that **over two thirds of entrepreneurs across each revenue level have launched businesses within industries where they possess prior experience**. This trend underlines the value of industry-specific knowledge and expertise in fostering successful ventures.

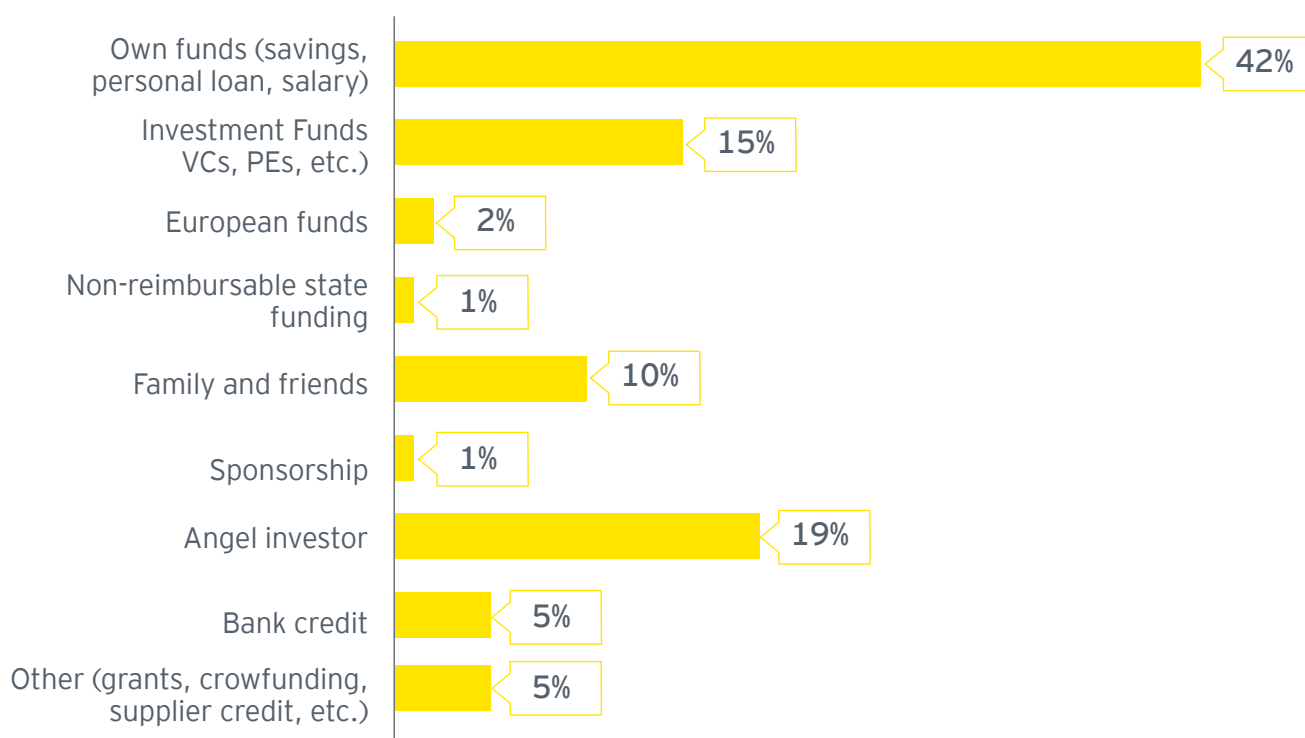
The entrepreneurial journey is satiated with obstacles, beginning from the very moment an individual elects to pursue this path and continuing until they choose to step away from the entrepreneurial role. For the Romanian entrepreneur, once the decision regarding the industry of operation has been made, they are immediately confronted with a critical hurdle:

securing sufficient funding to sustain their company. Financial challenges rank among the most formidable that entrepreneurs encounter. Access to capital is essential for the development, launch, and growth of a business, and navigating the complexities of financing can be a daunting task. Entrepreneurs must often explore a variety of funding sources, from personal savings and loans to venture capital and angel investors, each with its own set of challenges and implications for the future of the enterprise.

Most of the Romanian entrepreneurs use their **own funds (42%)**, followed by **angel investor (19%)** and **investment funds (15%)**. The ability to successfully secure and manage financial resources is a key determinant of an entrepreneur's capacity to transform an idea into a viable and thriving business.



Figure 8: Source of funds when starting a business



The challenge of securing adequate funding is an extensive issue that impacts every facet of a business. Insufficient capital can severely hinder an entrepreneur’s ability to attract and retain talented employees.

Moreover, a scarcity of financial resources can lead to significant setbacks in product or service development, potentially resulting in

delayed launches or, in more severe cases, the abandonment of promising initiatives. Such delays or cancellations can have lasting repercussions on the company’s prospects and market position. Confronted with these financial constraints, the Romanian entrepreneur is compelled to adopt a multi-disciplinary strategy to navigate through these turbulent waters and keep the business afloat.

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One of the biggest challenges, without a doubt, is attracting capital.

.....

...Even if you have a business with potential, the moment you no longer have money to pay your fees, taxes or salaries, due to the lack of cash, you risk losing your business, your customers, your employees...

.....

For me, it was very difficult about 2 years after the launch of the business, when I ran into all the problems, when the money ran out a long time ago and double the budget you initially set, when it is already very difficult to keep the team's morale high and your own.

In the face of numerous challenges, it is imperative for the entrepreneur to assume a leadership role. Insights gathered from interviews with Romanian entrepreneurs highlight **resilience as the quintessential trait for entrepreneurial success**. Entrepreneurs are expected to confront and navigate through difficulties with unwavering determination. The notion of failure is not an option to be entertained; instead, a blend of **ambition and tenacity** should propel them forward on their entrepreneurial path. Financial hurdles are a common obstacle for many, yet they must be overcome by finding **innovative** solutions.

Continuous learning and adaptation are crucial for Romanian entrepreneurs. They must acquire the knowledge to build a **robust organizational structure** that not only withstands the initial trials of starting a business but also remains efficient as those early challenges decrease. Furthermore, the successful Romanian entrepreneur has the ability to **inspire and motivate** his team, especially during trying times when financial rewards may be scarce. The capacity to maintain team cohesion and morale in the absence of immediate income is a testament to effective leadership and is necessary for the long-term viability of the business.

The successful Romanian entrepreneur is the one who places considerable **trust** in their team to devise solutions to the challenges they encounter. As revealed through interviews, it is essential for Romanian entrepreneurs to cultivate a robust team that serves as a dependable foundation for the business. Moreover, it is critical that the core employees or team members are actively involved in the decision-making process, enjoying a significant degree of autonomy. This empowerment enables them to transition from merely executing tasks to becoming integral stakeholders in the project. By fostering such an environment, entrepreneurs not only enhance the sense of ownership and commitment among their team but also benefit from the **collective intelligence and creativity** that a collaborative and engaged workforce can offer. This approach is fundamental in building a resilient and innovative company capable of navigating the complexities of the business landscape.



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I think the main challenge was how to create a corporate structure in such a way that it will be useful in the future, but also at the time the business was started. The main lesson I learned was to rely on those who are experts in the field.

The successful Romanian entrepreneur develops the ability to **adapt** to changing circumstances and grows an insatiable desire to acquire new skills and methodologies that enhance their business operations. While having a high-quality product or service and a technically proficient team is crucial, these elements alone are not always sufficient for success. Many Romanian entrepreneurs have found it necessary to expand their expertise beyond the technical realm, embracing the arts of **presentation and salesmanship**. They have learned to effectively communicate the value of their offerings, articulate their vision, and convey the potential impact their business will have in the future.

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It took me a while to feel comfortable saying I'm a salesperson...I don't necessarily resonate with that view of salespeople...As an entrepreneur and as a leader, you have to get very comfortable as quickly as possible with the idea of selling, both externally and internally.

.....

It's harder to convince clients to sign after we say we come from a communist, ex-Soviet country. Clients wonder if we can be trusted, that we won't steal IP. It's hard to convince them that we really respect IP laws, that NDAs are respected, and that legislation is in place. They need to trust the contract signed with us.

The ability to sell and present is of paramount importance in the entrepreneurial journey. Romanian business leaders have faced unique challenges due to perceptions associated with their country's former communist legacy. Overcoming these hurdles and establishing trust with clients in a highly competitive global market requires not only exceptional products and services but also persuasive storytelling and relationship-building skills. By mastering these aspects of business, Romanian entrepreneurs are breaking through barriers and position their ventures for greater success on the international stage. **The salesmanship skills are extremely important. These skills are not merely secondary;** they are central to the success of any enterprise. **A compelling presentation can attract potential investors, clients and partners, transforming interest into commitment. Similarly, skillful salesmanship is the driving force that converts prospects into customers, thereby generating revenue and ensuring the viability of a business.** These

skills are particularly crucial when entering new markets or when attempting to differentiate one's offerings in a crowded marketplace. The art of articulating a business's value proposition, its vision, and its competitive advantages in a clear, persuasive manner can establish credibility, foster trust, and build lasting relationships. Entrepreneurs who embrace and excel in business pitching and salesmanship are often those who lead their companies to thrive, as they can effectively communicate the essence of their brand and the benefits of their products or services to a wider audience.

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I learned that my passion for making a technology product is to first sell it and then make it. Because a product is created by customers, by the cleverness of the customers and not by the cleverness of the entrepreneur, and then it must be sold and the main goal is to promote it.

.....

The biggest challenge was the trust part. We can work and we are also prepared from a technical point of view, but we also saw some reticence from clients, they hesitated to give us important projects or give us a lot of information about their company.



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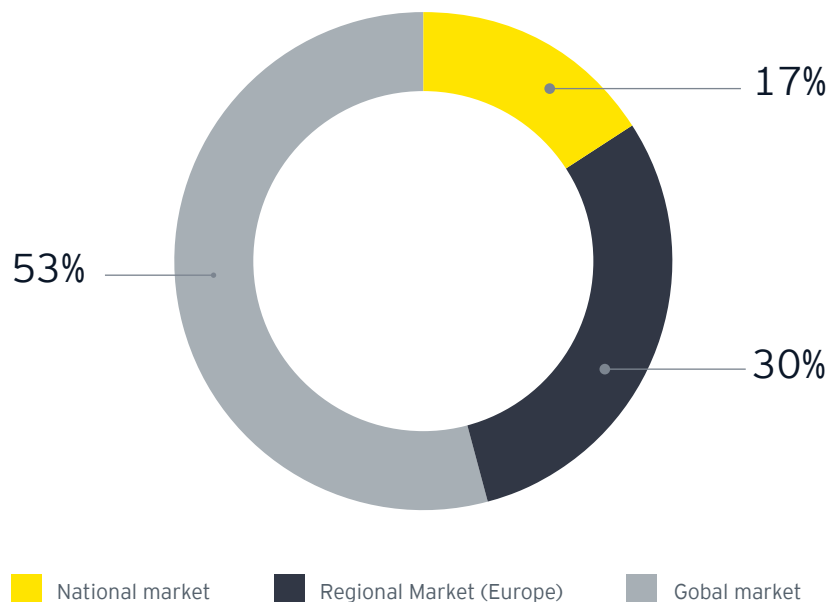
Direction and purpose: the entrepreneurial vision

For an extended period of time, Romanian entrepreneurs encountered significant challenges in securing capital and expanding their client base. The growing competition at the national level, fueled by an influx of both local and especially international companies with deeper pockets and greater experience, presented a formidable barrier. In the emerging stages of Romanian entrepreneurship, accessing European and international markets was a particularly daunting task. Nevertheless, the landscape shifted significantly following

Romania's accession to the European Union (EU) and the North Atlantic Treaty Organization (NATO). These pivotal developments have catalyzed a strategic shift among Romanian business owners, with the majority now actively seeking opportunities beyond the nation's frontiers to enhance their businesses' potential and diversify their clientele.

The survey data is backed by interviews with Romanian entrepreneurs that mentioned that from the moment they started the business they saw it as an international venture.

Figure 9. Target market



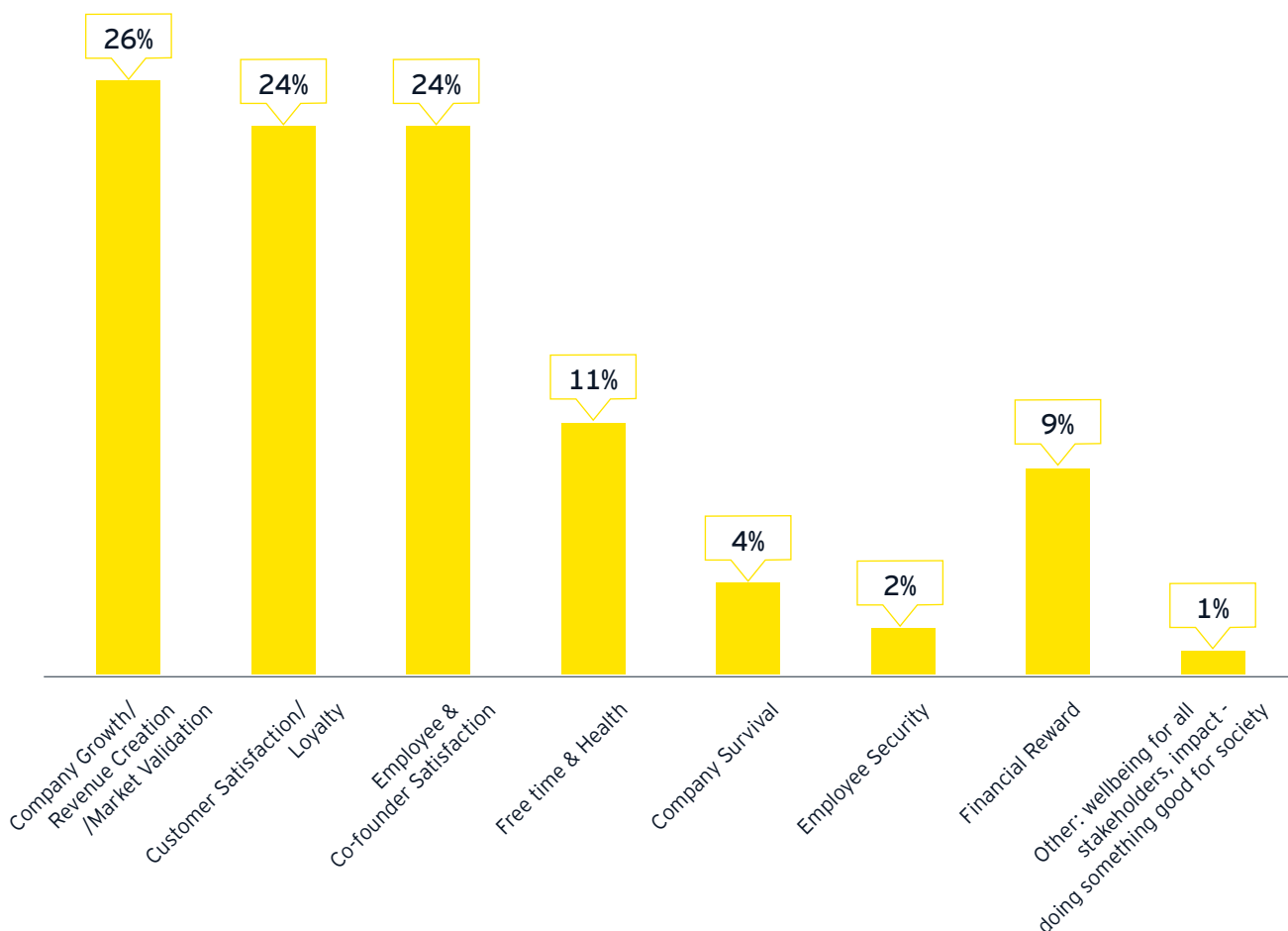
Interestingly, the strategic market focus of the Romanian entrepreneur can be shaped by the age at which the entrepreneurs initiate their ventures. In the Romanian entrepreneurial landscape, the age at the start of one's entrepreneurial journey appears to influence market targeting preferences. Data indicates that **58% of Romanian entrepreneurs who embarked on their business endeavors after the age of 25 are inclined to pursue the global market.** This contrasts with a **slightly lower**

propensity of 49% among those who began their entrepreneurial careers before reaching 25. Curiously, the younger cohort, **those who started under the age of 25, demonstrate a greater tendency to focus on the regional European market, with 31% targeting this area compared to 28% of their older counterparts.**

The survey data shows the strategic focus of Romanian entrepreneurs, who, irrespective of their revenue brackets, in majority, are directing their efforts towards the European and Global Market. This trend aligns with expectations and underscores the proactive approach adopted by these entrepreneurs in seeking opportunities beyond local confines. Their endeavors to tap into a broader economic landscape not only reflect a commendable vision but also suggest a promising trajectory for growth and international collaboration.

Upon establishing a stable foundation for their businesses, characterized by a robust team and a flourishing income pipeline that propels company growth, Romanian entrepreneurs exhibit diverse perspectives on what constitutes success.

Figure 10: Definition of success



The majority of Romanian entrepreneurs measure success through metrics of company growth, revenue and market validation, with 26% aligning with this perspective. This outlook is widely regarded as standard within

the entrepreneurial community, as collected also from interviews. Many entrepreneurs are motivated by the prospect of financial prosperity or the capacity to make a change.

“

It was clearly thought of as an international business from the beginning. We thought from the beginning about the very large companies, it does not mean that we do not look at the local market at all, we have clients from the local market, but all our focus goes to the very large clients, who can be from anywhere in the world, because they are from USA, Europe, China, Australia.

.....

From the beginning, everything was built for international scaling, and we also gave a disproportionate amount of attention to external customers, customers in territories we didn't know, so that we could create an umbrella for broader development

The desire for company growth and revenue generation is understandable, considering that the whole point in an entrepreneurs' dedication and perseverance for building a team and developing products / services is to become profitable and to be adopted by the market.

The aspiration for company expansion and revenue generation is a logical outcome of an entrepreneur's commitment and persistence in assembling a team and crafting products or services. The ultimate objective of these efforts is to achieve profitability and gain market acceptance.

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I believe that success in business is measured in money, also in business, success is also measured in doing, changing something for the better, creating a trend, bringing a cool product to the market, a piece of innovation.

.....

I started very much to develop business based on mission and purpose and capital to be a consequence of those achievements.

Conclusion



The entrepreneurial tapestry of Romania is woven with the threads of youthful ambition and seasoned wisdom, as evidenced by the diverse age range of business founders. The EY & Endeavor survey paints a picture of a vibrant entrepreneurial community where half of the respondents embarked on their business journeys before the age of 25, while the other half began their ventures later in life. This age diversity is a testament to the inclusive nature of entrepreneurship in Romania, where the drive to innovate and succeed transcends generational boundaries.

The strategic decision-making of Romanian entrepreneurs often involves accumulating work experience or completing educational pursuits before diving into entrepreneurship. This is reflected in the fact that over half of the entrepreneurs have international exposure, and more than 40% have been employed prior to starting their own businesses. These experiences are invaluable, equipping entrepreneurs with a comprehensive understanding of global markets and the skills necessary to thrive in the business world. The Romanian entrepreneur is highly educated however the survey suggests that academic achievements are not the sole predictors of entrepreneurial success. Practical experience and innovative thinking play a crucial role in achieving commercial success, even for those who have not pursued higher education.

Romanian entrepreneurs exhibit a clear preference for industries such as Fintech and Enterprise Software and Services. This trend aligns with the sector's scalability and potential for disruption, making it an attractive field for those looking to capitalize on the digital transformation of the economy.

Perseverance, hard work, and resilience are essential traits for Romanian entrepreneurs, who must navigate through difficulties with determination and innovation. Building a robust organizational structure and inspiring a cohesive team are fundamental to the long-term viability of a business. Romanian entrepreneurs recognize the importance of teamwork in the establishment

and growth of a business. The collaborative effort of a team is instrumental in fostering the expansion of a venture, and the synergy of multiple founders with complementary skills can lead to superior outcomes.

The entrepreneurial vision of success in Romania is multifaceted, but most Romanian entrepreneurs measure success through company growth, revenue creation, and market validation. The pursuit of financial prosperity and the desire to make a change are strong motivators for Romanian entrepreneurs, who are dedicated to building teams and developing products or services that are profitable and marketable.

The archetype of success for the Romanian entrepreneur transcends conventional metrics such as age, academic credentials, experience, or the selection of a particular industry. Achieving entrepreneurial triumph in Romania necessitates a relentless pursuit of excellence, an unwavering determination to push beyond one's limitations, and an extraordinary commitment to overcoming the myriad of obstacles that may arise. Initiating a venture with limited financial resources, assembling a team of competent and reliable professionals, and securing clients to generate revenue are among the significant hurdles entrepreneurs must overcome. The intense pressure associated with establishing a company can be overwhelming, often leading to heightened stress levels. This, in turn, can result in diminished personal time, adversely affecting relationships with family and friends, and potentially impacting the entrepreneur's overall well-being and work-life balance.

It is the untiring spirit and the capacity to exceed expectations that depict the contours of success for entrepreneurs within this economic landscape. As such, the journey to prosperity is not solely charted by quantifiable achievements but is also defined by the intangible qualities of tenacity and the ability to surmount challenges with innovation and strategic insight.

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EYG no. 005823-23Gbl
BMC Agency EL 14520189
ED None

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